

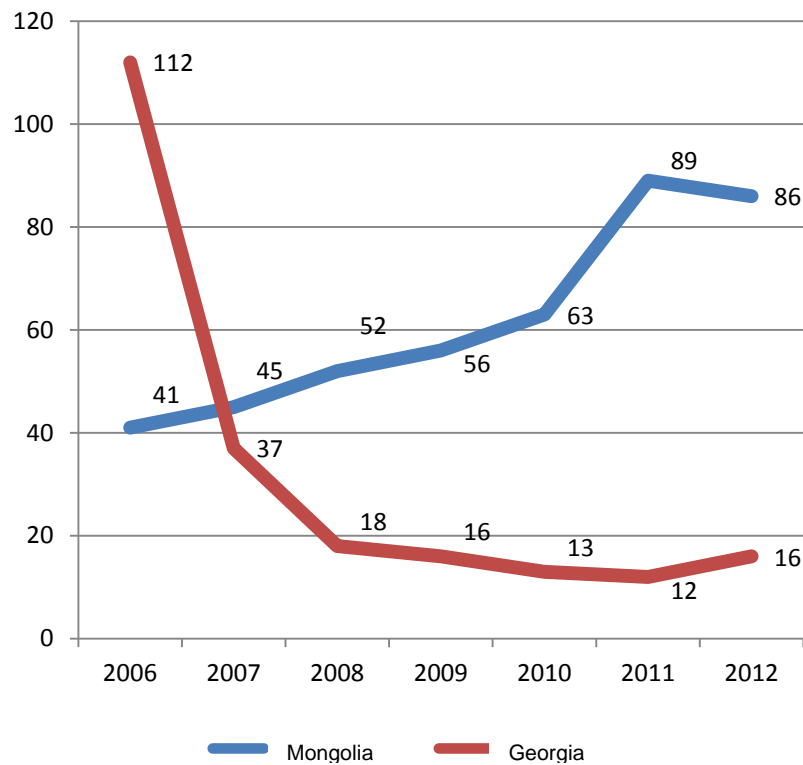


USAID
FROM THE AMERICAN PEOPLE



Business Plus Initiative
USAID funded project implemented by Chemonics International

Making the Case for Mongolia to Become a Top 10 Reformer



Rankings in 2012 Doing Business Report

FIGURE 1: From 2006 to 2012 Georgia's rank in the World Bank's *Doing Business* rankings went from 112th to 16th. During this same period Mongolia's rank fell from 41st to 86th.

QUARTERLY PERFORMANCE REPORT (July – September 2012)

October 2012
Ulaanbaatar, Mongolia

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ABBREVIATIONS AND ACRONYMS

AWP	Annual Work Plan
BEE	Business Enabling Environment
BPI	Business Plus Initiative
CGA	Customs General Administration
CGDC	Corporate Governance Development Center
COP	Chief of Party
DS	Development Solutions
EPCRC	Economic Policy and Competitiveness Research Center
eTaxNG	E-Tax Next Generation
FRC	Financial Regulatory Committee
GASI	General Authority for Special Inspection
GDT	General Department of Taxation
GOM	Government of Mongolia
IT	Information Technology
KRA	Key Result Area
M&E	Monitoring and Evaluation
MCUD	Ministry of Construction and Urban Development
MNCCI	Mongolian National Chamber of Commerce and Industry
OSF	Open Society Forum
PIR	Project Intermediate Result
PMP	Project Monitoring Plan
QMCE	Quality Management Center of Excellence
SDC	Supplier Development Center
TPI	The Press Institute of Mongolia
TRS	Time and Release Study
USAID	United States Agency for International Development

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INTRODUCTION

The USAID-funded Mongolia Business Plus Initiative (BPI) project supports the Government of Mongolia's reform efforts aimed at establishing an enabling business environment conducive to diversified economic growth and the creation of better economic opportunities for the population. The BPI project is ensuring the participation of Mongolia's private sector in a structured and productive dialogue with government so that business enabling environment (BEE) reforms are adequately informed by the private sector and works with Mongolian private sector to address bottlenecks to country competitiveness. The BPI project complements and supports the Government of Mongolia's strategy to advance business enabling policies and strengthen country competitiveness while promoting diversification across economic sectors and increasing financial sector capacity.

A. Executive Summary

During this quarterly reporting period, USAID's BPI project has positioned itself as the main partner to the Mongolian Government in the area of BEE reforms, being the main donor project in the country providing technical assistance to both the overarching Government's Reform Team and the individual reform working groups established to implement reforms in the five areas of competence of the project, as described in further detail below. During this quarter, the BPI project also initiated a Supplier Development Program aimed at connecting large enterprises with Mongolian suppliers, identifying deals, and helping potential Mongolian suppliers meet the requirements of these buyers - thereby expanding the sales of Mongolian suppliers and creating jobs. Both of the main initiatives during this quarterly reporting period reflect the focus of the project per the submitted Year Two Annual Work Plan which covers April 2012 – May 2013. Namely, focusing on BEE, governance country competitiveness, and private sector initiatives with high impact potential in short and the medium term (i.e., 20-30 months):

- Engage and develop capacity of business and civil society to develop actionable proposals to address BEE, governance, and country competitiveness issues
- Facilitate public-private dialogue on BEE, governance, and country competitiveness issues
- Publicize examples of best international practices and successful country experiences in improvements in BEE, governance, and country competitiveness issues
- Leverage project resources through partnerships that contribute tangible resources (funds, political capital, advocacy capacity, etc.)
- Capitalize on prior USAID technical efforts and current project portfolio opportunities to address BEE, governance, and country competitiveness issues
- Focus on high impact, demand-driven, private sector supported initiatives aimed at increasing Mongolian SMEs competitiveness, such as the establishment of a Supplier Development Center (SDC) and a Quality Management Center of Excellence (QMCE)
- Coordinate and collaborate with other bilateral and multilateral programs and projects to improve effectiveness of technical assistance and avoid duplication
- Support initiatives to improve transparency and accountability, and diminish corruption

This quarterly progress report is organized as follows: section I details work plan implementation for the quarter, organized by project intermediate result (PIR); section II describes project management and administration activities, current personnel, deployment of short-term expatriate technical assistance, as well as project and contract management actions for the next quarter; and Annex A describes current long-term project staff and details of short-term expatriate technical assignments, while Annex B includes a reporting for the quarter against the BPI project's draft performance monitoring plan.

B. Significant Accomplishments

This section of the quarterly progress report provides a list of key activities and significant accomplishments organized by Component.

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved:

In August Mongolia's new government took shape. In addition to shuffling ministries and agencies, the new government announced its commitment to rapid reforms to improve the country's economy and support business development. The new government is looking to the Republic of Georgia as an example of how aggressive regulatory reform can dramatically improve a country's business enabling environment. Figure 1 on the cover page demonstrates how with USAID support, Georgia went from being ranked 112th in 2006 to 16th in 2012 in the World Bank's Doing Business report. Over the same period, Mongolia fell from 41st to 86th.

To assist Mongolia's new leaders in following Georgia's example, USAID's BPI project brought to Mongolia the former Minister of Finance and Minister of Economic Development of the Republic of Georgia, Aleksi Aleksishvili. While in Mongolia Mr. Aleksishvili held 12 private meetings with high level government officials and gave four presentations on Georgia's reforms to tax administration, construction permitting, and customs procedures. Approximately 200 government officials attended these four presentations. As a direct result of Mr. Aleksishvili's visit, the government is increasingly turning to the BPI project as a partner to design and implement reforms that can benefit Mongolia. The BPI project now attends weekly meetings of the Cabinet Secretariat's Reform Team and is providing specific technical assistance to five Ministry and Agency level working groups. Other key activities/results under PIR 1 during this quarterly reporting period include:



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened:

During September, Mr. Aleksishvili presented to Mongolian government and private sector representatives practical details about how the Republic of Georgia successfully reformed its business enabling environment.

- The BPI project continued supporting the Customs General Authority (CGA) to implement a risk management system. The project conducted trainings to increase the number of cargos routed through the ‘green channel’ (without physical or document inspection) and continued refinement and testing of CGA’s risk management software. To date, 12% of shipments are processed through the ‘green channel’ and all shipments are stamped according to their classification. In contrast, last quarterly reporting period only 3% of shipments went through the ‘green channel.’



Altantuya Ch., a CGA customs officer, uses BPI’s tool to estimate efficiency gains from joint border inspections during a July session on monetizing the cost of inefficient regulations. Below, Mr. Otgonbayar T., an inspector with GASI’s border inspection department, explains his calculations.



- To increase business community involvement in shaping reforms the Economic Policy and Competitiveness Research Center (EPCRC) and the Business Council of Mongolia, with support from the Asian Development Bank, the International Finance Corporation, and the BPI project worked with the business community to prioritize reforms for the next year that are affordable, achievable, and will have widespread positive impact on business. Using private sector input gained through a survey reaching 130 businesses and the results of participation by more than 70 business people in two roundtable discussions, the BPI project and its partners drafted a Year One Road Map for reform. This Year One Road Map was presented to the Prime Minister of Mongolia on September 13th at a public event in the Government House.

- In July the BPI project hosted two seminars on how to apply a tool for calculating the cost of inefficient regulations. The first section brought together eight representatives from Generalized Agency for Specialized Inspection (GASI) and CGA. The second session included eleven representatives from the Mongolian National Chamber of Commerce and Industry, the Mongolian Employers Federation, and EPCRC. Participants left with a comprehensive understanding of how to use the tool and how the tool can effectively illustrate the benefits of proposed reforms to decision makers.

PIR 2: Private sector capacity and competitiveness strengthened:

The BPI project also unveiled its Supplier Development Program, a transaction-based and demand-driven approach to increasing sales and jobs in Mongolia during a public event on September 24, 2012. This approach was informed by a series of trips the BPI team took throughout the quarter to Darkhan, Erdenet, and Dalanzadgad to meet with local companies to better understand the constraints they face. USAID’s BPI supplier development program will work by first securing the commitment of buyers to purchase from suppliers, and then with that commitment in hand the BPI project will provide the

know-how and support required to ensure the supplier meets that order. Other key activities/results under PIR 2 during this quarterly reporting period include:

- The BPI project continued building the foundation for an independent Mongolian Quality Management Center of Excellence (QMCE). At the request of interested business community partners, the BPI project prepared a detailed QMCE Business Plan covering the planned center's first three years of operations, including a estimated financial balance sheet, and shared this concrete document with potential QMCE board members from the private sector.
- The BPI project developed a handbook with select tools and guidelines to improve the effectiveness of Mongolian not-for-profit organizations. After developing the handbook, BPI trained a group of Mongolian consultants on utilizing the handbook processes, guidelines, and tools to engage, build capacity, and support Mongolian business associations. In total, 17 Mongolian consultants attended this intensive 30 hour training series.

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened:

This project component is cross-cutting by ensuring that the public is informed and to the extent possible engaged, in work of the other two project PIRs. This quarterly reporting period BPI activities under PIR 3 focused on supporting public events about BEE reforms and the Year One Road Map, as well as publicizing the Supplier Development Program. Additionally, during this reporting period under PIR 3 the BPI project worked with the Financial Regulatory Commission (FRC) to inform the public that as of October 1, 2012 the Mandatory Drivers Insurance law will be fully enforced in Mongolia. The BPI project conducted a public awareness campaign which included the development of a television public service announcement, a press conference, brochures, and billboards along major roads in Ulaanbaatar. The BPI project and the FRC were able to leverage support from the Association of Mandatory Insurance Providers, a large private sector insurance association, which provided cost-sharing for the billboards.

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АМЖИЖ ДААТГУУЛААРАЙ

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened:
During this quarter, the BPI project conducted a public awareness campaign for mandatory drivers' insurance, above is the layout of one of the billboards from this campaign.

C. Salient Programmatic Trends and Ongoing Performance Constraints

Per Section F.8 of the BPI project contract, this section discusses salient programmatic trends distilled from major activities in process or recently completed. It also highlights unresolved or ongoing administrative constraints to the contractor's optimal performance.

Salient Programmatic Trends:

- Government entities continue to be interested in ever more active collaboration with the project. Currently the BPI project is working closely with the Cabinet Secretariat, the Ministry of Construction and Urban Development (MCUD), the State General Registration Agency, the General Department of Taxation, the Customs General Authority, and the Ulaanbaatar Municipality. During the next quarter the project anticipates also working with the Ministry of Energy.

Ongoing Performance Constraints:

- In order to advance the Supplier Development Program, during this reporting period the BPI project gave a series of presentations and held private meetings with numerous large enterprises in Mongolia. While some large private sector actors are interested in the approach, any financial cost-sharing will likely come only after the Supplier Development Program is able to demonstrate results. Therefore, the BPI project is moving forward without advance cost-sharing commitments, and thus with fewer financial resources available for activities.
- During this reporting period the recruitment of qualified local long term staff members continued to be challenging due to the highly competitive market for qualified professionals in Mongolia. However, in the upcoming quarter the BPI project will re-open a recruit for a business enabling environment specialist, and will continue to look for Mongolian legal expertise to support PIR 1 activities.

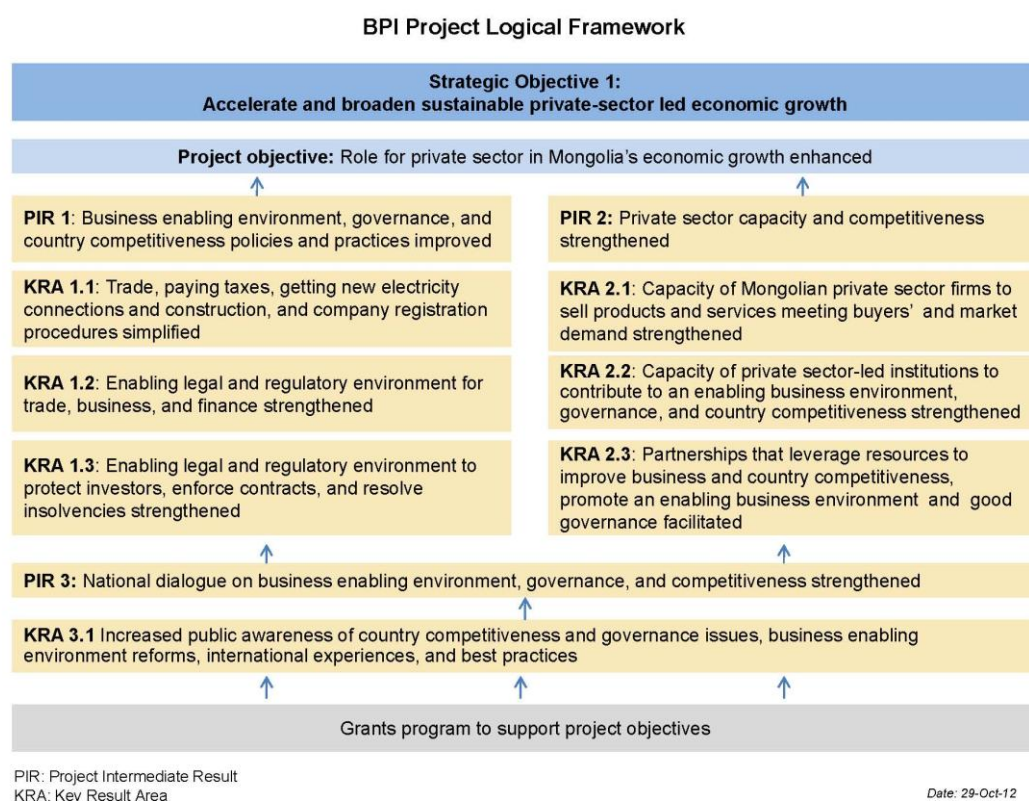
SECTION I: WORK PLAN IMPLEMENTATION

A. Introduction

This Section details the status of project implementation as of the end of the quarter. Below in Part B we present the framework of the work plan for the three project components included in the submitted Year Two Annual Work Plan: business enabling environment, governance, and country competitiveness policies and practices improved; private sector capacity and competitiveness strengthened; and national dialogue on business enabling environment, governance, and competitiveness strengthened. Part C of this section contains detailed implementation status by project component. PIR 1 and 2 activities are described in the text, with PIR 3 cross-cutting national dialogue activities highlighted in text boxes in each section.

B. Work Plan Framework

This quarterly progress report is organized around the three PIRs with corresponding Key Result Areas (KRAs) proposed in the draft Year 2 Annual Work Plan:



C. Work plan implementation

CI. PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

Following elections in July 2012, the new Government of Mongolia has committed to aggressive reforms in support of an improved business enabling environment in the country. During this quarterly reporting period, the BPI project began working closely with the Government of Mongolia, specifically the Cabinet Secretariat, to support this reform process by providing technical assistance to reform working groups organized at the ministry and agency levels, as well as support to the umbrella Cabinet Secretariat reform working group which is overseeing all reforms. The BPI project is also encouraging private sector participation in each reform area. The below sections describe in detail the work conducted under this component between July 2012 and September 2012.



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: In September the BPI project began working with various government working groups for business enabling environment reforms. Above members of the Ministry of Construction and Urban Development, the Ulaanbaatar Municipality, the Road Police, as well as members of the press, listen as Mr. Aleksishvili presents Georgia's construction sector reforms. To educate the general public about the benefits of business enabling environment reforms, the Press Institute of Mongolia with BPI support hosted a panel discussion with prominent business lawyers and Mr. Aleksishvili, depicted below. As a result, in September alone there were more than 20 articles written Mr. Aleksishvili's visit and the Georgian example.



KRA 1.1: Trade, paying taxes, getting new electricity connections, construction, and company registration procedures simplified:

USAID's BPI project attended the first Reform Team meeting headed by Ch. Saikhanbileg, the Cabinet Secretariat Chairman and Minister on September 17, 2012. At this meeting the Cabinet Secretariat unveiled its intention to involve heads from government agencies, department heads from various ministries, the donor community, as well as private sector representatives, to undertake fast-track reforms intended to improve Mongolia's business enabling environment and advance Mongolia's ranking in the World Bank's *Doing Business* surveys. Following this first Reform Team meeting, technical working groups were formed in all ten of the areas covered under the World Bank's *Doing Business* survey. Beginning in September, the BPI project is working closely with a select five of these technical working groups which are each tasked with proposing specific achievable reforms in the near term in the following areas:

- **Trading across borders:** The BPI project started working at the technical working group tasked with streamlining trade in and out of Mongolia. This working group is comprised of representatives from the Mongolian National Chamber of Commerce and Industry (MNCCI), CGA, and the General Authority for Special Inspection (GASI). This working group is intending to reduce the number of documents and lower the number of days required to import/export from Mongolia by instituting reforms informed by the work the BPI project has already done in this area, as discussed in the BPI working paper: Preliminary estimates of the staggering costs of inefficient trade regulation in Mongolia, which was reported in the previous Quarterly Performance Report. Additionally the BPI project is supporting a Time and Release Study, which is discussed in further detail below in the sections titled: *Risk Management* and *Time and Release Study Preparation*.



The BPI project is working with GDT and private sector software producers to automate elements of paying taxes to reduce unnecessary burdens on tax payers. The system will also reduce paper filing. Above, GDT cabinets overflow with documents.

- **Paying taxes:** This technical working group is comprised of representatives from the Ministry of Finance, GDT, and private sector software producers, with support from the BPI project. This working group is intending to reduce the burden of paying taxes, and will also build on work the BPI project has already started, as discussed in further detail below in the section titled: *Streamlining Paying Taxes*.

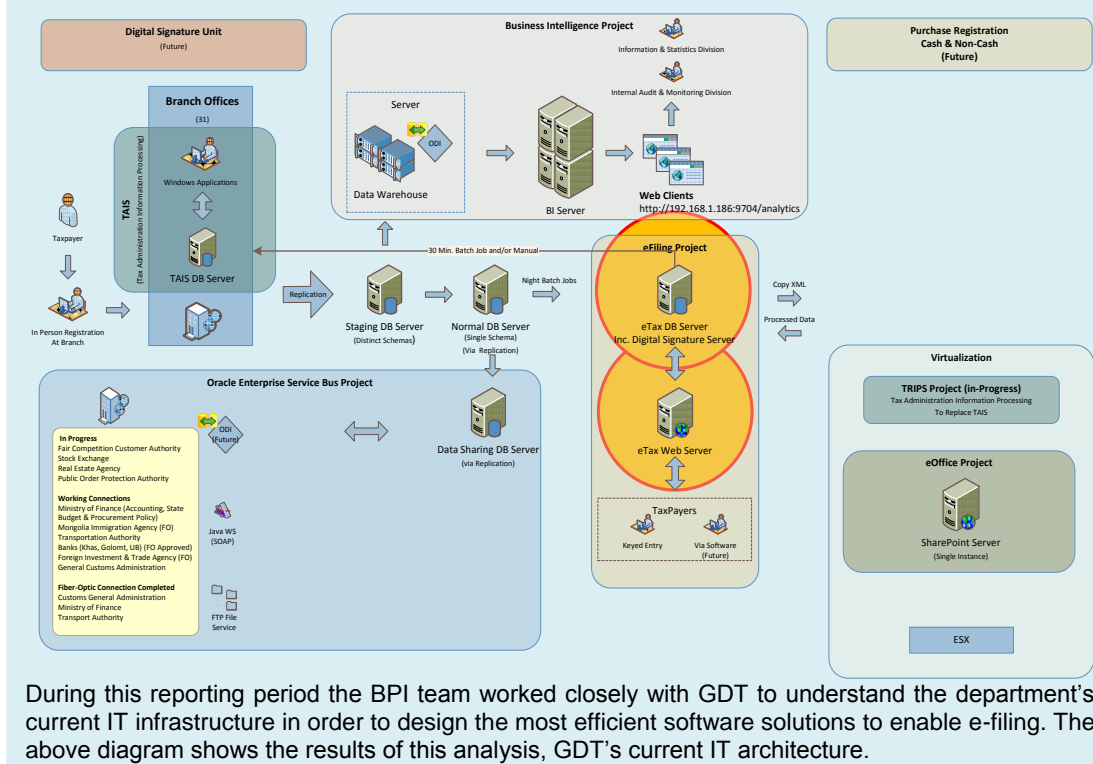
- **Dealing with construction permits:** Also in September, the BPI project began supporting this technical working group comprised of representatives from the Ministry of Construction and Urban Development, Ulaanbaatar Municipality, and the private sector. This working group intends to streamline the process for receiving construction permits by creating consistent classifications and reducing required procedures for lower-risk projects. The working group is also working towards the development and adoption of internationally recognized standards and norms by the Mongolian construction sector.

- **Starting a business:** This technical working group consists of representatives from the State General Registration Agency. The BPI project will initiate activities with this group in the coming quarter. The BPI project is planning to support the working group in implementing a front-end solution that will allow for online company registration. This online solution will build on back-end system which was developed for the State General Registration Agency with support from the South Korean government. Specifically this online front-end solution will include functionalities such as, name search, name reservation, company incorporation, with automatic reporting to the General Department of Taxation and the Social Security Office. The solution will include a detailed dashboard that will allow the State General Registration Agency to generate statistically-based reports which will enhance the Agency's decision-making. During the next few weeks the BPI project plans to finalize a scope of work for an international tender to identify a company capable of quickly assisting the working group to develop and implement this solution. The BPI project is expecting that the solution will be developed and rolled-out by May 2013.
- **Getting electricity connections:** This technical working group also requested BPI project assistance, and the project will provide support in the coming quarter. This working group is comprised of representatives from the Ministry of Energy, the Ulaanbaatar Electricity distribution network, the road police, GASI, and private sector representatives.

In addition to beginning to support national level reforms, this quarterly reporting period the BPI project continued providing on-going technical assistance to streamline trade and paying taxes:

Streamlining Paying Taxes: The BPI project continued working closely with the GDT and Mongolian software producers to design and begin building an e-tax next generation system (eTaxNG) that will allow taxpayers to e-file. Simultaneously the BPI project is working with GDT and the Ministry of Finance to streamline the procedures for paying taxes in Mongolia. To drive eTaxNG, the BPI project brought Jerry Henzel, an international IT expert to Mongolia and identified a local IT consulting company qualified to provide technical assistance. This team worked closely with GDT and examined in detail GDT's existing IT systems to determine what is required to build in a system which will allow Mongolians to submit their tax documents electronically without having to return paper copies. As a result of this analysis the BPI team identified four 'next steps' required to implement eTaxNG. Specifically the BPI team and GDT will continue to work on:

- Modeling the data semantics to describe the format of the data that will move between the GDT and taxpayers
- Developing a core set of web services that would enable data movement. These web services would offer real-time functionality to enrich user interfaces, bulk data services to move large amounts of data around, and a set of notification services that would enable an event-driven architecture
- Upgrade infrastructure to sufficient levels to handle the anticipated load
- Upgrading IT security to allow for the safe use of E-Signature for the new system.



Customs Risk Management: As a result of continuing support from USAID's BPI project, CGA now has a sophisticated risk management IT infrastructure that currently routes most shipments to red channel -- physical inspection. In order to improve human capacity to operate the risk management system, build CGA management's confidence in the system, and increase the number of shipments routed through the green channel the BPI project provided additional technical assistance. BPI project short-term consultant Jorge Montoya worked with CGA's Risk Management team to fine tune their risk data so that targeting can be more precise via automating problem areas, involving the trade community in identifying risk scenarios, and analyzing feedback from inspections. Mr. Montoya also trained CGA staff and inspectors to build their capacity to analyze the selectivity component, filters and sub-indicators on risk management, assess errors and delays, and expand risk indicators. During this assignment, Mr. Montoya also worked with GASI's Border Inspection Department to support that agency's nascent risk based inspection program and facilitate discussions between GASI and CGA on establishing coordinated risk based inspections. As a result of USAID support to CGA, approximately 12 percent of all shipments are routed through the green channel, and all documents are stamped according to risk management criteria. In the coming quarter, the Government of Mongolia will set the effective date that GASI's border inspection department must start implementing risk criteria. Additionally, CGA is reviewing and plans to implement Mr. Montoya's additional recommendations for their risk management system.

Customs Time and Release Study Preparation: During this reporting period the BPI project worked closely with CGA to prepare for a TRS. Beginning in July, the BPI project began collecting information, identifying and working with TRS stakeholders, and outlining the process for the TRS in a manual. Specifically, BPI project staff worked with an international expert, Deborah Hackshaw to conduct a detailed analysis of the current import and export processes and related constraints, identified which border points and inland customs offices should be involved in the TRS, documented at select ports (Altanbulag, Tsagaan Nuur, Zamyn Uud, Choir, and the Ulaanbaatar airport) the processes

in preparation for the TRS, and estimated the number of personnel and days required to conduct the data collection. Following this preparatory phase, the BPI project formally launched the TRS at the end of September. A second international consultant, Paul Clark arrived at the end of September and held a training workshop on September 30 for CGA, GASI, and representatives from the MNCCI, as well as customs officials from the selected ports to kick-off TRS implementation.

KRA 1.2: Enabling legal and regulatory environment for trade, business, and finance strengthened

Calculating the cost of inefficiency: To deepen support for simple yet high-impact reforms, during this reporting period BPI introduced an innovative method to estimate the cost to the economy of inefficient regulations, information that can be useful in determining what laws and regulations should be reformed. In July Olin McGill, the short term BPI international expert who introduced the methodology, hosted two seminars on how to apply this tool, bringing together eight representatives from GASI and CGA for one session, and eleven representatives from the MNCCI, the Mongolian Employers Federation, and the EPCRC for the other. During the workshops the BPI project tasked attendees with doing the math for reforms in small groups. Participants left with a comprehensive understanding of how to use the tool and how the tool can effectively illustrate the benefits of proposed reforms to decision makers. The sessions also demonstrated the enormous value of creating opportunities for officials with overlapping jurisdictions to work together. Representatives from GASI and CGA estimated the potential savings of jointly conducting inspections of imported construction materials, discovering that joint inspections could reduce the time required to process each shipment by five hours. Another GASI representative calculated the cost of GASI-related approvals for each shipment of food products, illustrating for the group the potential benefits of rolling out a comprehensive Risk Management System instead of requiring 100% inspections.

KRA 1.3: Enabling legal and regulatory environment to protect investors, enforce contracts, and resolve insolvencies strengthened

Mandatory Drivers Liability Insurance: On October 1, 2012 the Government of Mongolia began enforcing the requirement to carry insurance, per the Law on Mandatory Driver's Insurance. The law came into effect in January of 2012 and was passed in response to the growing number of vehicles on the roads in Mongolia which is resulting in ever higher numbers of accidents. In order to both educate the public about the benefits of this insurance, and warn drivers that the enforcement began in



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: During a September event at The Press Institute journalists asked questions about the Law on Driver's Insurance and heard from FRC representatives how the new law protects the public from bearing the full burden of accidents by creating a mandatory insurance system.

**ЖОЛООЧ НАРЫН
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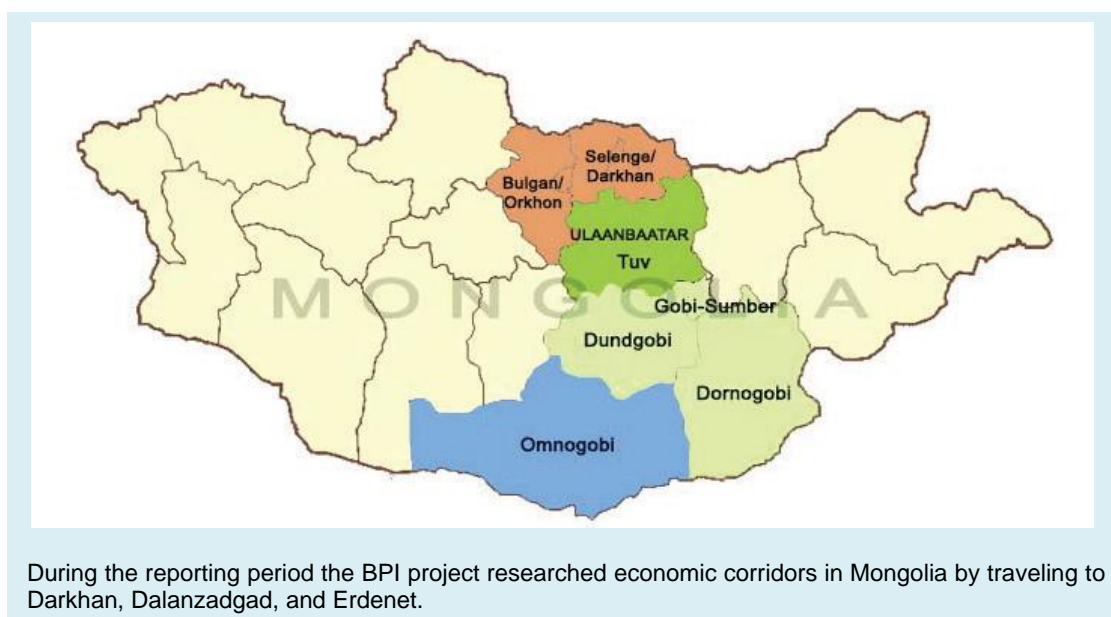


October, the BPI project assisted the FRC to execute a public education campaign. The campaign included the production of a public service announcement which ran during the nightly news three times a day for 10 days, the design and printing of 20,000 educational brochures, the erection of 10 billboards on main streets in Ulaanbaatar, and a news conference held at The Press Institute of Mongolia. The BPI project and FRC were able to leverage support from the Association of Mandatory Insurance Providers to co-finance the cost of the billboards.

Continuing assistance to build Corporate Governance in Mongolia: Improvements in corporate governance can serve a number of public policy objectives such as enhancing market stability, increasing investor confidence, attracting domestic and international investments into Mongolia and reducing the cost of capital for companies. To assist companies in Mongolia improve their corporate governance, the BPI project and the Corporate Governance Development Center, at the request of the FRC worked this quarter to draft a corporate governance diagnostic toolkit. The toolkit will include distinct modules for listed companies, limited liability and family owned companies, and insurance companies and other financial sector entities. The toolkit will allow users to identify weakness and provide implementable recommendations, while also assessing companies' level of compliance with the Mongolian Companies Law and the Code of Corporate Governance Regulations. A draft Corporate Governance Rating survey with 100 questions was prepared this reporting period in cooperation with FRC and the CGDC to rate the corporate governance practices of listed Mongolian companies. In the coming quarter, the BPI project will further develop and deliver a tool kit that will serve as a diagnostic tool and provide guidance to corporate leaders on how the companies should be implementing good corporate governance practices.

C2. PIR 2: Private sector capacity and competitiveness strengthened

As described above, during this reporting period the BPI project focused on two main elements within PIR 2: beginning a supplier development program and advancing the establishment of a QMCE. During the quarter the BPI project outlined and later refined its strategy for the implementation of the supplier development program, informed by a key architect of similar successful work under USAID projects, Dr. James Riordan. Also during this quarter the BPI team created and shared a detailed business plan for QMCE operations over the next three years with interested private sector stakeholders.



KRA 2.1: Capacity of Mongolian private sector firms to sell products and services meeting buyers' demand strengthened

Launching a supplier development program: On September 21, BPI gathered a group of 40 business people representing 23 different companies, along with journalists from 9 media outlets. These business leaders and press came to learn about BPI's supplier development program which will link suppliers with larger businesses. At the event, Dr. James Riordan and Dr. Fernando Bertoli shared a practical method for helping Mongolian businesses buy markedly higher volumes of quality goods and services reliably from local sources. Such transactions will increase jobs and heighten Mongolia's economic growth. The BPI project's supplier development program will work by first securing the commitment of buyers to purchase from suppliers, and then with that commitment in hand the BPI project will provide the know-how and support required to ensure the supplier meets that order.



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: During the September 21 event Dr. Riordan (top) and Dr. Bertoli presented to more than 50 people representing the Mongolian private sector and donor community how a supplier development program that focuses on transactions can enhance Mongolia's competitiveness.

In principle, there are many economic activities the supplier development program could support – reconditioning of equipment, dairy and meat production, catering and provision of consumables, uniforms, vehicle management and maintenance, just to name a few. In the same vein, there are many problem-solving actions the program could take – transfer of technical know-how, resolution of cash-flow constraints, introduction of process engineering, and management improvement. To ensure the BPI program is tailored to the differing economic opportunities between the north and south of Mongolia, in August the BPI team traveled to Darkhan and Dalanzadgad and met with local companies. In Darkhan, BPI toured the Boroo Gold mine, a fur and leather processing operation at Darkhan Nekhii, and Erel cement manufacturing facility. As a result, BPI is considering creating a Supplier Development center in the north tailored to the opportunities in and around that region. In the south, in Dalanzadgad and the Omnogobi aimag, market opportunities are being shaped by demand from Oyu Tolgoi, Energy Resources, and others who will be buying considerable products and services in the very near future. During the coming quarter, the BPI project will begin working on identifying specific deals, focusing first in Darkhan and Erdenet.

KRA 2.2: Capacity of private sector-led institutions to contribute to an enabling business environment, governance, and country competitiveness strengthened

Advancing the establishment of the Mongolia Quality Management Center of Excellence: During this reporting period the project took several steps related to near term continued quality assurance training operations, as well as for the medium to longer-term establishment of an independent and sustainable Quality Management Center of Excellence (QMCE). In early August, the BPI project team met with nine prospective

charter stakeholders to discuss committing to providing leadership and financial support for a fully operational QMCE. During this meeting, potential stakeholders requested additional information and the BPI project subsequently developed a comprehensive draft QMCE Business Plan for the first three years of QMCE operations. In September the QMCE Business Plan was shared with multiple private sector stakeholders envisioned as inception Board of Directors. Once commitments are in place during the coming quarterly reporting period the BPI project intends to sign a Memorandum of Understanding with proceed with registering the QMCE as an independent organization.

During this past quarter, the BPI project also prepared to hold a 5-day lead auditor training series for local Mongolian professionals interested in receiving training in areas including ISO 9001 (Quality Management), 14001 (Environment) and 22000 (Food Safety), as well as ISO 19001 (Internal Auditing). With such training and certification, these professionals can and will serve as quality assurance managers and auditors within the Mongolian private sector. Over the course of this reporting quarter, the BPI project began the planning and logistical preparations for this training. Following an open competitive process the BPI project identified a South Korean training provider to provide two trainers and interpreters, 'Global Certi Co.' The BPI team set the date for the training to be early October 2012 and by the end of quarter 28 of 30 training slots were filled.

Strengthening Mongolian Associations: Reinforcing the administration, governance, finance, marketing, and services offered by Mongolian not-for-profit organizations increases their impact and prospects for sustainability. To support this process, the BPI project developed a handbook with select tools and guidelines to improve the effectiveness of these important civil society actors. After developing the handbook, BPI short-term technical expert Andrzej Schafernaker trained a group of Mongolian consultants on utilizing the handbook processes, guidelines, and tools to engage, build capacity, and support Mongolian business associations. In total, 17 Mongolian consultants attended this intensive 30 hour training series. The Mongolian Management Consultancy Institute, a local business association operating in support of its membership of business consultants, also attended and served as an active case study for the participants. By enhancing these consultants' technical skills, the trainees themselves now have the tools to engage with associations directly. This creates an opportunity for consultants to generate service fees while also strengthening the organizations they work with. In the coming quarter the BPI project will continue monitoring the results of this training and the utilization of the toolkit.



Above and below, Mongolians participate during the 30 hour training in July on association strengthening.



KRA 2.3: Partnerships that leverage resources to improve business and country competitiveness, promote an enabling business environment and good governance facilitated



Participants walked away from DS' business trainings with a more nuanced understanding of business best practices, like L. Chuulee pictured above receiving her certificate of participation. Chuulee, a small business owner in Erdenet, stated: *"Before I came to Bizguide.mn business training I thought my business was going well, but now I understand that my business needs many changes. For example, until now I didn't have bookkeeping for my business, but the training made me understand the importance of bookkeeping."*

BizGuide.mn: In August Development Solutions (DS), a Mongolian organization that serves and supports entrepreneurs and small local businesses, unveiled Bizguide.mn. This web-based portal gives Mongolians access to a wide range of information about how to successfully startup and grow a business, and was funded by the BPI project through a grant to DS. On Bizguide.mn, users can learn about online marketing, tips to improve finance and accounting, and read profiles of entrepreneurs, including many women, explaining the steps they took to startup successful firms. Targeting entrepreneurs across Mongolia, DS visited four aimags (Bulgan, Darkhan-Uul, Omnogobi, and Dornogobi) and trained 108 entrepreneurs and small business owners on how to get the most out of Bizguide.mn. The DS team familiarized the business communities in each aimag on how to use the portal and offered free one-day business trainings on effective marketing and financial management. By creating Bizguide.mn, BPI-partner Development Solutions has given Mongolian entrepreneurs a powerful tool to support and grow their business.

C3. Component 3: National dialogue on business enabling environment, governance, and competitiveness strengthened

This component is responsive to PIR 3, National dialogue on business enabling environment, governance, and competitiveness strengthened. Per the BPI logical framework, there is only one KRA under this PIR, KRA 3.1: Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices.

PIR 3 and KRA 3.1 are cross-cutting, and the BPI activities within this component are therefore discussed in text boxes in the above sections. In addition to the activities discussed above, during this quarterly reporting period the BPI project's communications team also worked with the business community to present their reform priorities to the Government of Mongolia.

KRA 3.1: Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices

Year One Road Map for Reforms: In order to increase business community involvement in shaping reforms, USAID's BPI project worked in conjunction with EPCRC, with support from the Asian Development Bank and the International Finance Corporation, to engage the business community in prioritizing reforms and outlining concrete steps the new government can take in the next year that are affordable, achievable, and will have widespread positive impact on business. On August 16, more

than 40 business people attended the first of two seven hour roundtables. In small groups participants prioritized the top ten issue areas the government should focus on in the first year. The prioritization was informed by more than 130 responses received from a reform survey sent to the broader business community. On August 29, almost 30 participants gathered a second time to think through practical steps the government can take to address the identified issue areas.



After gathering the private sector’s input, the BPI project and EPCRC, with support from the Asian Development Bank, drafted ten detailed action plans which together formed a Year One Road Map for reform. The 10 priority reform areas identified are, in no particular order: easing trade across borders, streamlining paying taxes, simplifying starting a business, protecting investors, streamlining construction permitting, improving education, diversifying non-mining economic sectors, improving the legal environment, increasing the efficiency of public service, and improving infrastructure. On September 13, members of the business community, the media, and the Government gathered at the Government House for the “Working Together for Reforms” Forum. During this event business community members who participated in the working groups presented to the Prime Minister of Mongolia the Year One Road Map. This event initiated practical collaboration between the Government and the business community to improve the business environment and competitiveness of Mongolia.

D. BPI Activities by the Numbers

During this quarterly reporting period USAID's BPI project drafted and submitted a revised performance monitoring plan to correspond to both the revised direction of the project, and the submitted Year 2 Annual Work Plan. Annex B to this quarterly performance report includes the submitted indicators and targets presented in the revised performance monitoring plan, and reports against targets for this quarter.

E. Next Steps for the Coming Quarter

Major activities or key actions projected for the next quarters, by project component, are detailed below.

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

- **Assistance to technical working groups:** The BPI project will continue working closely with five technical working groups as well as the Cabinet Secretariat's national level Reform Team. During this coming quarter the project expects to advance reform objectives to streamline procedures and reduce the days required to: trade across borders, pay taxes, get electricity connections, receive construction permits, and start a business.
- **eTaxNG:** The BPI project will continue working with GDT in the next quarter to: modeling the data semantics to describe the format of the data that will move between the GDT and taxpayers; begin developing a core set of web services that would enable data movement; plan for upgrading infrastructure to sufficient levels to handle the anticipated load; and work to improve IT security to allow for the safe use of E-Signature for the new system.
- **TRS:** During October and November, the BPI project will implement the time and release study with CGA by identifying and training data collectors, creating survey documents, collecting data, and analyzing data at selected Mongolian customs sites. Once collected and analyzed, the BPI project will work with CGA to use the results to inform reform decision-making.
- **Corporate governance toolkit:** In the coming quarter the BPI project will finalize a corporate governance diagnostic toolkit alongside the CGDC and the FRC. The toolkit will be web-enabled and hosted on the CGDC website with specific modules for listed companies, limited liability and family owned companies, and insurance companies and other financial sector entities.

PIR 2: Private sector capacity and competitiveness strengthened

- **QMCE:** In the coming quarter the BPI project intends to finalize commitments from private sector stakeholders and move forward with registration. Specifically, the BPI team will (i) continue efforts leading to finalized commitment amongst private sector charter stakeholders for the establishment of an independent body driving ahead quality assurance initiatives in Mongolia. BPI will focus initially on formalizing this support with a signed MOU. BPI will then (ii) work with the charter stakeholders, aka QMCE Board of Directors, in finalizing the Business Plan, finalizing a Charter and by-laws governing the institution, and register the entity with the relevant government agency by end of November 2012. Lastly, BPI

will provide technical assistance to the newly established entity, by implementing select and targeted assistance aimed at building credibility and capacity of QMCE as a viable, value added and sustainable training institution moving forward.

- **Supplier Development Program:** The BPI project will begin implementing the supplier development program by pursuing specific deals and focusing on individual transactions. The project has already identified a few promising transactions in Darkhan and Erdenet.

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened

- **Continued Cross-Cutting Engagement:** During the coming quarter the activities of PIR 3 will continue to communicate the work being done in PIR 1 and PIR 2 to the general public and stakeholders, including government, private sector, and others. Through public events, roundtable discussions at the Press Institute and the continued involvement of economic journalists, PIR 3 activities will capitalize on milestone moments from the other PIRs to publicize the work of the project.

SECTION II: PROJECT MANAGEMENT AND ADMINISTRATION

This section summarizes significant project management and administration activities, problems encountered and actions taken to solve them, and main activities scheduled for completion during the next quarter. Annex A contains a list of long-term local project staff and short-term expatriate and local technical assignments.

A. Significant project management and administration activities

During this quarterly reporting period, BPI project management and administration activities continued to support the delivery of programmatic and technical assistance across the three PIRs areas. Over the last quarter, the efforts of the project management team continued to focus on the restructuring of BPI staffing which began in the previous quarter in order to meet the needs of the BPI project's refocused activities.

Key project management and administration actions and activities completed include:

- Four long-term local personnel (two professional and two support) were recruited to fill vacant local long-term positions for the project;
- Submitted a draft Performance Monitoring Plan for USAID's review that aligns targets and indicators with the submitted Year 2 Annual Work Plan;
- Submitted a revised Year 2 Annual Work Plan incorporating feedback from USAID;
- Successfully completed the field accounting and compliance review from the Chemonics home office;
- Ensured that all short-term assignments went smoothly.

B. Personnel

B1. Long-term expatriate personnel

During this reporting period, the project made one change to Key Personnel: Demir Yener resigned the BPI team as Senior Financial sector Advisor in July 2012.

B2. Long-term local personnel

Project management efforts during this quarter continued to focus on recruiting competent local personnel at competitive rates, in accordance with the Mission Local Compensation Plan. Exhibit A-1 in Annex A provides a summary status of local staff as of the end of the reporting period.

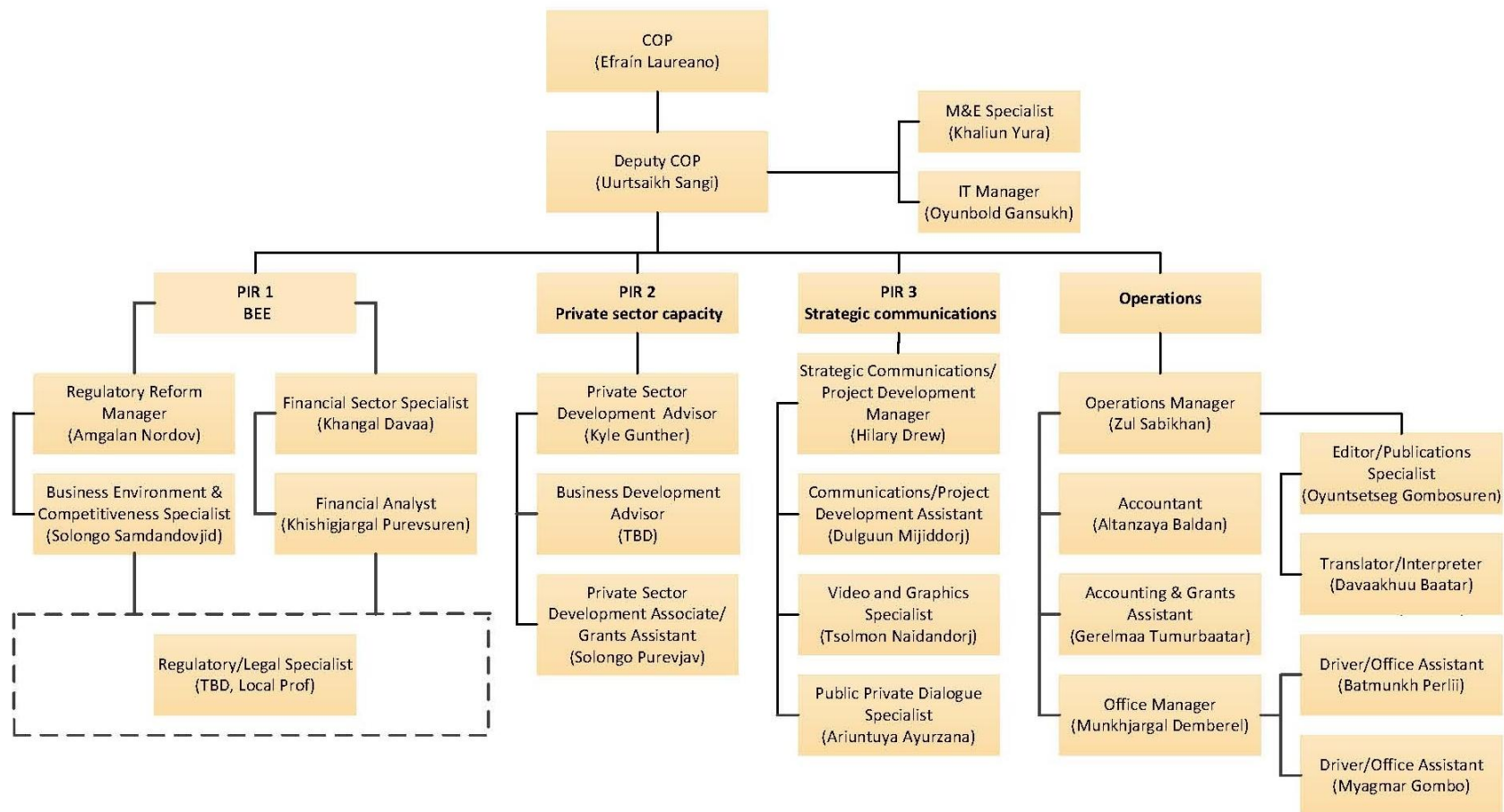
The following changes were made in local long-term personnel:

- Solongo Samdandovjid joined the project as a Business environment and competitiveness specialist on July 16, 2012;
- Davaakhuu Baatar joined the project as a Translator/Interpreter on July 16, 2012;

- Solongo Purevjav joined the project as Private sector development associate/Grants assistant on September 14, 2012;
- Munkhjargal Demberel joined the project as an Office Manager on September 26, 2012;
- Munkhzul Janchiv resigned from the position of Operations and Grants Director as of September 30, 2012;
- Khaliun Yura, the Monitoring and Evaluations Specialist, took maternity leave effective as of September 17, 2012;
- Khangal Davaa, the Financial Sector Specialist, took maternity leave effective as of October 1, 2012.

The organizational chart of the project as of the end of the quarter appears as Exhibit II-1.

Exhibit II-1: BPI organization chart for July-September Quarterly Reporting Period



B3. Deployment of short-term technical assistance

Deployment of short-term expatriate assistance proceeded according to the draft work plan schedule during the quarter. Ten project-related short-term technical assignments were completed or initiated during the quarter by a total of ten (10) consultants.

Exhibit A-2 in Annex A provides details about the purpose of these assignments as well as dates of arrival and departure.

C. Status of subcontracts

During this reporting period, the BPI project continued to work with consortium partners, while also engaging a few new Mongolian service providers to support the project's initiatives:

- The BPI project continued to work with the Press Institute on the public private dialogue facilitation, media engagement, and journalist capacity building. During this quarter the Press Institute also competitively recruited for a replacement a candidate for the BPI-public private dialogue specialist position. At the end of the quarterly reporting period the Press Institute and the BPI project selected the most appropriate candidate and prepared the approval request package to USAID.
- Based on open competition, Open Society Forum (OSF) and BPI identified a candidate to serve as a Business Development Advisor through the subcontract with OSF. The project is currently waiting for Contracting Officer's approval; the original approval was submitted to USAID on September 21, 2012.
- New this quarter, the BPI project signed a short duration firm fixed price subcontract with EPCRC to collaborate in collecting private sector priorities for reform, drafting action plans for reforms, and hosting the 2012 Working Together for Reforms Forum.
- At the end of September the BPI project signed an indefinite quantity subcontract agreement with Orchard Consulting LLC, and issued the first task order. This subcontract is designed to assist the BPI project and partner Government agencies in designing IT solutions in furtherance of business enabling environment improvements. Under the first task order Orchard Consulting LLC providing technical assistance to GDT, alongside BPI short term IT specialist Jerry Henzel.
- During this quarterly reporting period the BPI project also finalized an indefinite quantity subcontract for firm fixed price task orders with Public Management Consulting Group, based in Georgia, to work in BEE reform areas and executed the first task order.
- Lastly during this period the project awarded a firm fixed price subcontract to a South Korean company to providing the trainings for Lead Auditors which took place in early October.

D. Project and contract management actions expected for the next quarter

Project and contract management actions expected to be completed during the next quarter include the following:

- Initiate contract modification negotiations to reflect the new project structure;
- Incorporate any remaining USAID comments to the submitted Year 2 Annual Work Plan and finalize the document;
- Incorporate USAID comments to the Performance Monitoring Plan submitted this reporting period and finalize the document;
- Finalize the recruitment of candidates to fill vacant local long-term positions under The Press Institute and The Open Society Forum subcontracts;
- Work closely with BPI project subcontractors and other partners on upcoming activities in the next quarter;
- Field short-term local and expatriate assistance to complete technical assignments in accordance with the submitted Year 2 Annual Work Plan.

ANNEX A: Long-term local personnel and expatriate short-term assignments

Exhibit A-1: Local long-term project staff as of the end of July-September 2012 quarter			
Employee name	Position	Start date	End date
Professional Staff			
Uurtsaikh Sangi	Deputy chief of party	Jun 20, 2011	
Altanzaya Baldan	Accountant	Jun 20, 2011	
Enkhnasan Dashnyam	Regulatory specialist	Jul 28, 2011	July 1, 2012
Tsolmon Naidandorj	Video and graphics coordinator	Jul 28, 2011	
Oyuntsetseg Gombosuren	Editor/Publications specialist	Jul 28, 2011	
Dulguun Mijiddorj	Training coordinator	Aug 22, 2011	
Khaliun Yura	M&E specialist	July 27, 2011	
Oyunbold Gansukh	IT manager	Oct 7, 2011	
Khishigjargal Purevsuren	Financial analyst	Oct 31, 2011	
Munkhzul Janchiv	Operations and grant director	Nov 7, 2011	Sep 30, 2012
Khangal Davaa	Financial markets specialist	Jan 3, 2011	
Amgalan Nordov	Regulatory reform manager	Jan 3, 2011	
Solongo Samdandovjid	Business environment and competitiveness specialist	July 16, 2012	
Support Staff			
Zul Sabikhan	Office manager	Jun 20, 2011	
Gerelmaa Tumurbaatar	Accounting assistant	Oct 7, 2011	
Davaakhuu Baatar	Translator/Interpreter	July 16, 2012	
Solongo Purevjav	Private sector development associate/Grants assistant	Sep 14, 2012	
Munkhjargal Demberel	Office manager	Sep 26, 2012	
Batmunkh Perlii	Driver/Messenger	Aug 22, 2011	
Myagmar Gombo	Driver Messenger	Sep 12, 2011	

Exhibit A-2: Short-term technical assignments during the July-September 2012 quarter

Name	Purpose of assignment	Date of arrival	Date of departure
Yord Thaviphoke	FACT review	June 2, 2012	June 15, 2012
Olin McGill	BEE reforms for tax and foreign trade	June 15, 2012	July 31, 2012
Barrie Evans	Establishment of QMCE	June 16, 2012	July 31, 2012
Andrzej Schafernaker	Institutional strengthening framework/toolkit	June 23, 2012	July 11, 2012
Deborah Hackshaw	Preparation for time release study	July 25, 2012	Sept 16, 2012
Jorge Montoya	Risk-Based Management and Trade Facilitation	August 26, 2012	Sep 8, 2012
Fernando Bertoli	BEE reform and PMP preparation	August 26, 2012	Sept 22, 2012
Alex Aleksishvili	Development of a "Year One Road Map"	Sep 3, 2012	Sep 14, 2012
Jerry Henzel	IT development for GDT	Sep 15, 2012	Oct 9, 2012
Paul Clark	Time Release Study on the process of trading across borders	Sept 26, 2012	Oct 31, 2012

ANNEX B: Performance indicators, baseline and targets for Annual Work Plan-2 (AWP-2)

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

KRA 1.1 Trade, paying taxes, getting new electricity connections and construction procedures simplified

1.1.1	Time and cost of clearing imports and exports reduced	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.1a	Number of documents required to export/import a shipment:	WB: 8 / 8	5 / 5	Target	n/a	n/a				
				Actual	n/a	n/a				
1.1.1b	Number of days required to export/import a shipment:	WB: 47 / 46	30.5 / 29.5	Target	n/a	n/a				
				Actual	n/a	n/a				
1.1.2	Burden of compliance with tax administration procedures reduced	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.2a	Number of payments per year:	WB: 41	27	Target	n/a	n/a				
				Actual	n/a	n/a				
1.1.2b	Number of hours per year required to comply with paying taxes:	WB: 192	135.5	Target	n/a	n/a				
				Actual	n/a	n/a				
1.1.3	Construction permits procedures streamlined	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.3a	Number of procedures to build a warehouse legally:	WB: 19	13	Target	n/a	n/a				
				Actual	n/a	n/a				
1.1.3b	Number of calendar days	WB: 208	156	Target	n/a	n/a				

	required to complete each procedure:			Actual	n/a	n/a				
1.1.4	Getting new electricity connections processes simplified	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.4a	Number of procedures to obtain an electricity connection:	WB: 8	5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.4b	Number of calendar days required to complete each procedure:	WB: 156 days	116	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.5	Online company registration system established	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.5a	Number of procedures to start a business:	WB: 7	4	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.5b	Number of calendar days required to complete each procedure:	WB: 13 days	5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			

KRA 1.2 Enabling legal and regulatory environment for trade, business, and finance strengthened

1.2.1	Trade legal and regulatory framework strengthened	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.2.1a	Percentage of progress in facilitating Draft Customs Brokers Law:	30%	100%	Target	75%	75%	75%	100%		
				Actual	75%	75%				
1.2.1b	Percentage of progress in facilitating start-up of	0%	100%	Target	0%	0%	55%	100%		

	customs brokers accreditation program:			Actual	0%	0%				
1.2.1c	Percentage of "green channel" shipments:	4%	30%	Target	4%	10%	15%	25%	30%	
				Actual	4%	12%				
1.2.1d	Percentage of progress in facilitating Customs Time Release Study:	0	100%	Target	30%	55%	100%			
				Actual	30%	55%				
1.2.1e	Person/days of training on trade facilitation delivered:	0	70	Target	0	15	30	15	10	
				Actual	7	3				
1.2.2	Non-banking financial products developed and/or enabled	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
1.2.2a	Number of non-banking financial products facilitated:	0	2	Target	0	0	1	0	1	
				Actual	0	0				
1.2.2b	Person/days of participation in BPI financial sector events:	165	60	Target	30	0	10	10	10	
				Actual	37	6				

BPI METRICS FOR LAWS & REGULATIONS (Contractor's manageable interest): Concept paper 10% | Working draft 20% | Technical review 25% | Public dialogue 20% | Draft hand-over 25%

PERFORMANCE METRICS FOR LAWS AND REGULATIONS: MoJHA clearance | Cabinet approval | Parliament Standing Committee clearance |

Inclusion in Parliament agenda | Parliament approval.

KRA 1.3 Enabling legal and regulatory environment to protect investors, enforce contracts, and resolve insolvencies strengthened

		Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.3.1	Percentage of progress in facilitating draft Bankruptcy Law:	55%	55%	Target	55%	0%	0%	0%	0%	
				Actual	55%	0%				
1.3.2	Percentage of progress in facilitating draft Investment Funds Law:	55%	100%	Target	75%	100%				
				Actual	75%	100%				
1.3.3	Percentage of progress in facilitating draft Custodian Law:	55%	55%	Target	55%	0%	0%	0%	0%	
				Actual	55%	0%				
1.3.4	Person/days of training delivered to FRC:	18	43	Target	43	0	0	0	0	
				Actual	43	0				
1.3.5	Percentage of progress in facilitating draft regulations for Driver's Liability Insurance:	55%	100%	Target	80%	100%	0%			
				Actual	80%	100%				

BPI METRICS FOR LAWS & REGULATIONS (Contractor's manageable interest): Concept paper 10% | Working draft 20% | Technical review 25% |

Public dialogue 20% | Draft hand-over 25%.

PERFORMANCE METRICS FOR LAWS AND REGULATIONS: MoJHA clearance| Cabinet approval | Parliament Standing Committee clearance |

Inclusion in Parliament agenda | Parliament approval.

PIR 2: Private sector capacity and competitiveness strengthened

KRA 2.1 Capacity of Mongolian private sector firms to sell products and services meeting buyers' and market demand strengthened

2.1.1	Buyer-supplier transactions facilitated	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.1.1a	Number of products/services with buyer's specifications:	n/a	40	Target	n/a	n/a	5	15	20	
				Actual	n/a	n/a				
2.1.1b	Number of feasibility of supply analyses completed:	n/a	40	Target	n/a	n/a	5	15	20	
				Actual	n/a	n/a				
2.1.1c	Number of due diligence conducted on suppliers:	n/a.	25	Target	n/a	n/a	2	8	15	
				Actual	n/a	n/a				
2.1.1d	Number of purchase intent negotiated:	n/a	15	Target	n/a	n/a	1	5	9	
				Actual	n/a	n/a				
2.1.1e	Number of TAF contracts to assist potential suppliers:	n/a	14	Target	n/a	n/a	1	4	9	
				Actual	n/a	n/a				
2.1.1f	Number of purchase orders fulfilled:	n/a	12	Target	n/a	n/a	0	2	10	
				Actual	n/a	n/a				
2.1.1g	Number of transactions facilitated:	n/a	10	Target	n/a	n/a	0	3	7	
				Actual	n/a	n/a				
2.1.1h	Value of transactions facilitated (MNT million):	n/a	500	Target	n/a	n/a	0	100	400	
				Actual	n/a	n/a				
2.1.2	Establishment of Mongolia Supplier Development Center (MSDC)	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.1.2	Percentage of progress in facilitation of MSDC:	0%	100%	Target	10%	30%	55%	100%		
				Actual	10%	10%				

BPI METRICS FOR PROGRESS IN FACILITATION OF MSDC: Concept paper 10% | Working group established 20% | Stakeholders forum to proceed 25% |

Business model, business and operations plan negotiated 20% | MSDC registered 25%.

KRA 2.2 Capacity of private sector-led institutions to contribute to an enabling business environment, governance, and country competitiveness strengthened

2.2.2	"Emerging" institutions established	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.2.2	Number of new or "emerging" institutions facilitated:	0	2	Target	0	0	1		1	
				Actual	0	0				
2.2.3	"Selected partner organizations" capacity strengthened	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.2.3	Number of cost-sharing agreements and/or subcontracts with local partner institutions to work on BEE issues:	1	5	Target	0	1	2	1	1	
				Actual	0	2				
2.2.4	Number of institutional strengthening toolkits developed for local partners:	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.2.4a	Number of institutional and corporate governance strengthening toolkits developed for local partners:	0	3	Target	1	1	1			
				Actual	1	1				
2.2.4b	Number of person/days of training delivered on the tool kits:	0	75	Target	5	60	10	0	0	
				Actual	5	64				

KRA 2.3 Partnerships that improve business and/or country competitiveness and leverage project funds facilitated

2.3.1 Establishment of private sector driven and supported Mongolia Quality Management Center of Excellence (QMCE) facilitated		Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.3.1	Percentage of progress in facilitating QMCE:	10%	100%	Target	10%	55%	100%			
				Actual	10%	55%				

BPI METRICS FOR PROGRESS IN FACILITATION OF QMCE: Concept paper 10% | Working group established 20% | Stakeholders forum to proceed 25% | Business model, business and operations plan negotiated 20% | QMCE registered 25%.

PIR 3: National private sector driven and supported dialogue on business enabling environment, governance, and competitiveness strengthened

KRA 3.1 Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices

3.1 Increased public awareness of BEE and competitiveness issues		Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
3.1.1	Number of public events held on BEE or competitiveness issues:	36	65	Target	15	15	10	15	10	
				Actual	17	12				
3.1.2	Number of person/days of attendance at public events:	751	1,250	Target	350	300	200	200	200	
				Actual	380	184				
3.1.3	Number of workshops held for journalists:	14	20	Target	4	4	4	4	4	
				Actual	5	2				